

VT AJ Bell Cautious Q3 2023 Report

Commentary

In Q3, the VT AJ Bell Cautious fund faced the headwinds of bond markets. Lower than expected UK inflation prompted the Bank of England to maintain rates against the broader market consensus of higher rates, causing the pound to fall.

Amid the speculation on rates and inflation throughout the quarter, the fund's strategic tilt towards lower interest rate-sensitive bonds proved beneficial, as it was shielded from the worst of the moves in the bond market. The fund holds a relatively large amount in non-sterling investments, which benefitted it given the fall in the value of the pound over the quarter.

The fund's performance was also aided by its holding in High Yield bonds, which exhibit low interest rate sensitivity. While the fund only holds a small amount in stocks, the Japanese market outperformed other global peers. The fund's 18% cash allocation proved advantageous too, reaping the benefits of elevated cash rates.

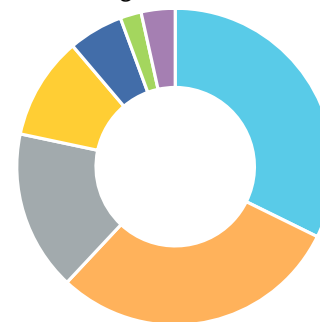
Overall, the fund was up 0.6% over the quarter.

Asset Breakdown



Share	22.1%
Bond	54.9%
Cash	17.9%
Other	5.0%

Shares Regional Breakdown



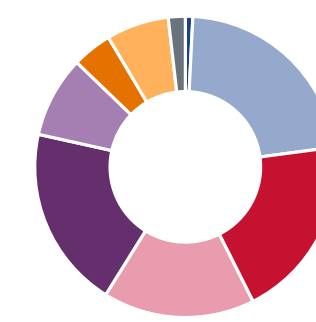
United Kingdom	32.3%
North America	29.7%
Japan	16.3%
Asia Emerging	10.5%
Asia Developed	5.6%
Africa	2.2%
Other	3.5%

Shares Sector Breakdown



Technology	15.6%
Financial Services	14.3%
Real Estate	12.1%
Industrials	10.6%
Consumer Cyclical	10.5%
Healthcare	9.1%
Consumer Defensive	8.1%
Other	19.7%

Bond Maturity Breakdown

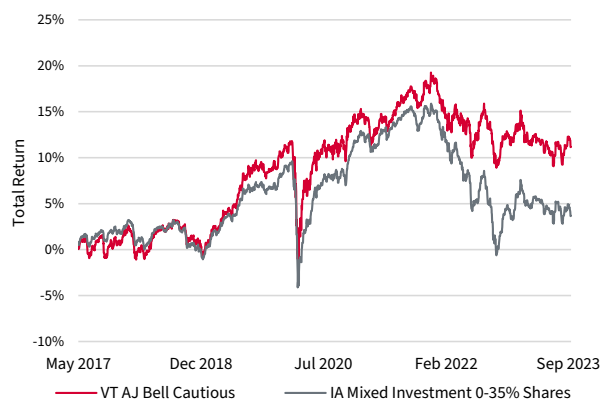


Less than 1 Year	0.8%
1-3 Years	22.1%
3-5 Years	19.7%
5-7 Years	16.3%
7-10 Years	19.6%
10-15 Years	8.7%
15-20 Years	4.3%
20-30 Years	6.7%
30+ Years	1.8%

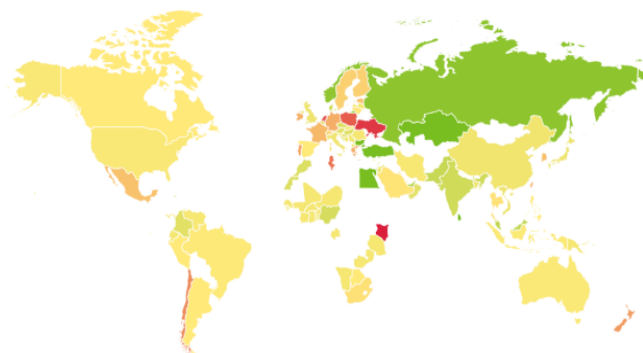
Trailing Returns (%)

Last quarter	0.6
Year to Date	-0.5
1 Year	1.0

Historic Performance



Q3 2023 Stock Market Performance (in GBP)



Top 10 Holdings

	Weight (%)
Cash	18.0
Vanguard UK Investment Grade Bond Index	14.2
iShares Global Aggregate Bond ETF	10.0
Vanguard S&P 500 ETF	7.1
iShares ESG Overseas Corporate Bond Index	7.0
State Street Global High Yield Bond Screened Index	5.6
HSBC MSCI Emerging Markets ETF	4.9
iShares \$ High Yield ESG Corporate Bond ETF (GBP Hedged)	4.6
Vanguard FTSE UK All-Share Index	4.1
Amundi MSCI Japan ETF	4.0

Fund Snapshot

ISIN	GB00BYW8RV97
IA Sector	IA Mixed Investment 0-35% Shares
Inception Date	18/04/2017
Ongoing Charge	0.31%
Fund Size (£m)	95.42
12 Month Yield (Reinvested)	2.51%



⚠️ The value of investments can go down as well as up and you may get back less than you originally invested. We don't offer advice, so it's important that you understand the risks, if you're unsure please consult a suitably qualified financial adviser. Past performance is not a guide to future performance and some investments need to be held for the long term. Totals may not sum to 100% due to rounding.